



STATEMENT
In Opposition of
Senate Bill 711: AAC the Elimination of Economic Development Funds for Companies
that Reduce Retirement Benefits

Labor and Public Employees Committee
February 10, 2009

The MetroHartford Alliance is Hartford's Chamber of Commerce and the region's economic development leader. Our investors include businesses of all sizes, health care providers, institutions of higher education, and 34 municipalities. The Alliance's mission is to ensure that the Hartford Region competes aggressively and successfully for jobs, talent and capital so that it thrives as one of the country's premier places for all people to live, work, play, and raise a family.

At this time of intense global competition for jobs, capital and talent, it is important for us to begin to implement an aggressive strategy to attract *new* jobs and investment to our cities and our state, while also retaining the jobs we are fortunate to have. As an economic development organization and the capital city's chamber of commerce, we ask that you consider the *highly* anti-competitive implications of Senate Bill 711, *An Act Concerning the Elimination of Economic Development Funds for Companies that Reduce Retirement Benefits*. This proposal would require that a business organization that receives state financial assistance not eliminate or reduce any retirement benefit being provided to retirees of the organization.

During this fiscal crisis, it is particularly vital that we exhibit the leadership that distinguishes Connecticut that values job growth and capital investment. Senate Bill 711 would clearly discourage employers outside our state from investing in Connecticut, directly reducing our access to new jobs and the host of other benefits, including tax dollars and community corporate giving, that business retention and expansion brings

with it. Additionally, the vague language contained in Senate Bill 711 makes it unclear whether other institutions such as colleges and universities would be affected. If so, we risk sacrificing state financial aid funds for lower income students who otherwise could not attend those institutions if any changes are made to benefits for retired faculty and campus staff.

Recently, Connecticut received unfortunate notoriety in *Forbes* and *Expansion Management*, magazines widely read by corporate site selectors who make recommendations on relocation decisions. Consistently, the state is ranked at or near the bottom of such lists with regard to the cost of doing business, the cost of living in general and transportation infrastructure. Even proposing this type of legislation sends a message that not only further substantiates those dismal rankings, but communicates to Connecticut's employers that we are not a friendly place for them to remain or expand.

At a time when other states are endorsing aggressive policies to encourage investment and job growth, we need to reverse our reputation as one of the least business friendly states. We should view the current economic crisis as an opportunity for Connecticut to stand out as a business friendly state and to take steps that make us more competitive. By passing Senate Bill 711, we will deter new investment in our state, discourage expansion of Connecticut's domiciled companies, and lose the talent that is attracted to new business ventures.

We ask you to work with us to help Connecticut stand out as a premier place to do business and create jobs and, therefore, urge you to reject Senate Bill 711, *An Act Concerning the Elimination of Economic Development Funds for Companies that Reduce Retirement Benefits*.